Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

UNCLASSIFIED

PAGE 01 SEOUL 00633 250606Z
ACTION EA-09

INFO OCT-01 IO-13 ISO-00 SP-02 USIA-15 AID-05 EB-08 NSC-05
CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04
SIL-01 L-03 H-02 DODE-00 PA-02 PRS-01 PM-04 /116 W
----------250610Z 032454 /20
R 250219Z JAN 77
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC 1695
INFO AMEMBASSY TOKYO
AMEMBASSY TAIPEI
US MISSION GENEVA 394
US DEL MTN GENEVA

UNCLAS SEOUL 0633

E.O. 11652: N/A
TAGS: ETRD, EFIN, EGEN, GATT, MTN, KS
SUBJ: PRESIDENT PARK LAUNCHES ANNUAL INSPECTION TOUR WITH
VISIT TO EPB

REF: (A) SEOUL 0440 (NOTAL) (B) SEOUL 0172 (NOTAL)

SUMMARY: STRESSING THE NEED FOR A COOPERATIVE NATIONAL EFFORT AND CALLING ON KOREAN INDUSTRY TO UPGRADE TECHNOLOGY AND THE SCALE OF PRODUCTION TO COMPETE INTERNATIONALLY WITH THE ADVANCED INDUSTRIAL NATIONS, PRESIDENT PARK CHUNG HEE BEGAN HIS ANNUAL NEW YEAR'S INSPECTION OF GOVERNMENT MINISTRIES AND AGENCIES WITH A JANUARY 19 INSPECTION OF THE ECONOMIC PLANNING BOARD (EPB). IN BRIEFING THE PRESIDENT, DEPUTY PRIME MINISTER NAM CITED STABLE GROWTH, EXPANDED SOCIAL DEVELOPMENT EFFORTS, INDUSTRY RATIONALIZATION AND IMPORT LIBERALIZATION AS MAJOR POLICY OBJECTIVES FOR 1977. THE FOLLOWING ACCOUNT IS BASED ON PRESS REPORTS OF THE PROCEEDINGS. END SUMMARY.

1. REITERATING ONE OF HIS FAVORITE THEMES, THE NEED FOR A
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SEOUL 00633 250606Z

COOPERATIVE EFFORT BY GOVERNMENT, BUSINESS AND THE NATION'S POPULACE, PRESIDENT PARK CHUNG-HEE LAUNCHED HIS ANNUAL NEW YEAR'S INSPECTION OF GOVERNMENT MINISTRIES AND AGENCIES WITH A VISIT TO THE ECONOMIC PLANNING BOARD (EPB) ON JANUARY 19. HIS INSTRUCTIONS TO EPB CALLED FOR EMPHASIS ON UPGRADING THE TECHNOLOGICAL LEVEL AND SCALE OF PRODUCTION OF KOREAN INDUSTRIES, PARTICULARLY IN THE HEAVY AND CHEMICAL INDUSTRY SECTORS.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

HE ADDED THAT KOREA MUST CONSIDER THE ADVANCED INDUSTRIALIZED NATIONS AS ITS ECONOMIC RIVALS AND LIFT ITS LEVEL OF COMPETITIVENESS ON PAR WITH THEIRS.

2. STABLE GROWTH, EXPANSION OF SOCIAL DEVELOPMENT EFFORTS, RATIONALIZATION OF KOREAN INDUSTRY AND IMPORT LIBERALIZATION WERE IDENTIFIED AS MAJOR POLICY OBJECTIVES FOR 1977 BY DEPUTY PRIME MINISTER NAM DUCK-WOO IN EPB'S BRIEFING FOR THE PRESIDENT. THE BRIEFING ALSO INCLUDED A REVIEW OF MAJOR MACRO-ECONOMIC TARGETS FOR 1977, E.G. 10 PERCENT REAL GROWTH, $10 BILLION IN EXPORTS ETC., VIRTUALLY ALL OF WHICH HAVE EEN ANNOUNCED PREVIOUSLY IN VARIOUS OTHER FORMATS (SEE REFTELS FOR DETAILS).

3. IN DISCUSSING INDUSTRY RATIONALIZATION, NAM STATED THAT THE ROKG WOULD DEVELOP DETAILED MEASURES AFTER THE COMPLETION OF AN INDUSTRY-BY-INDUSTRY SURVEY. THESE MEASURES WILL BE DESIGNED TO ENCOURAGE UPGRADING OF TECHNOLOGY AND REPLACING OF OBSOLETE FACILITIES AND EQUIPMENT. NAM STRESSED THAT THESE EFFORTS ALONG WITH INCENTIVES TO PROMOTE INVESTMENT WILL BE CONCENTRATED ON AREAS WHERE KOREA CAN ENJOY A COMPARATIVE ADVANTAGE, CITING THE MACHINERY AND ELECTRONICS INDUSTRIESAS MAJOR EXAMPLES.

4. OF PARTICULAR IMPORTANCE TO KOREA'S TRADING PARTNERS, NAM SPECIFICALLY ADDRESSED THE ISSUE OF IMPORT LIBERALIZATION BY INDICATING THE THE ROKG WILL INTRODUCE A PHASED PLAN FOR LIBERALIZING IMPORTS. THIS APPARENTLY WILL TAKE THE FORM OF AN ANNUAL SELECTION OF ITEMS TO BE DROPPED FROM THE IMPORT RESTRICTION PROGRAM.

UNCLASSIFIED

UNCLASSIFIED

5. NAM CITED HEALTH CARE, HOUSING AND ANTI-POLLUTION AS SOCIAL DEVELOPMENT AREAS WHICH WILL RECEIVE SPECIAL ATTENTION IN 1977. IN THE HEALTH AREA, THE REQUIREMENT FOR COMPULSORY MEDICAL EXAMINATIONS FOR EMPLOYEES WILL BE WIDENED TO INCLUDE INDUSTRIAL ESTABLISHMENTS EMPLOYING AS FEW AS FIVE PEOPLE, AS COMPARED TO THE PREVIOUS MINIMUM OF 16 EMPLOYEES. HE DETAILED VARIOUS MEASURES TO BE TAKEN TO STIMULATE THE HOUSING SECTOR, ONE OF THE FEW SECTORS WHICH HAD A POOR YEAR IN 1976. IN AN EFFORT TO STRENGTHEN ANTI-POLLUTION EFFORTS, A NEW INTER-MINISTERIAL COMMITTEE WILL BE ESTABLISHED TO MAP OUT SHORT AND LONG-TERM PLOICIES.

6. COMMENT: THE PRESIDENT'S CALL FOR VIEWING THE ADVANCED INDUSTRIALIZED NATIONS AS ECONOMIC RIVALS WAS INTERESTING AS A REFLECTION OF BOTH HIS AWARENESS THAT THE DEVELOPMENT OF KOREAN INDUSTRY IS MATURING TO THE POINT WHERE THE MAJOR COMPETITION FOR ITS MORE ADVANCED SECTORS WILL COME FROM INDUSTRIALIZED NATIONS AND OF HIS BELIEF THAT IMPROVED TECHNOLOGY AND AN EFFICIENT SCALE OF PRODUCTION ARE THE KEYS TO SUCCESSFULLY MEETING THAT

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

CHALLENGE. HIS CONTINUED EMPHASIS ON HEAVY AND CHEMICAL INDUSTIRIES SEEMS SOMEWHAT AT ODDS WITH THE POLICY DECISION SUPPOSEDLY TAKEN IN FORMULATING THE FOURTH FIVE YEAR PLAN THAT KOREA WILL MOVE MORE SLOWLY IN THE CHEMICAL AND HEAVY INDUSTRY SECTORS, CONCENTRATING INSTEAD ON A TRANSITION TO LABOR INTENSIVE/SKILL INDUSTRIES SUCH AS MACHINERY AND ELECTRONICS. WE WERE ENCOURAGED, HOWEVER, THAT DPM NAM STRESSED THAT KOREA'S INDUSTRIAL PROMOTION EFFORTS WILL BE DIRECTED TO AREAS WHERE KOREA CAN ENJOY A COMPARATIVE ADVANTAGE. NAM'S REMARKS ON IMPORT LIBERALIZATION, MEANWHILE, CONFIRM REPORTS WE HAVE BEEN HEARING FROM THE VARIOUS MINISTRIES INVOLVED TO THE EFFECT THAT THE ROKG IS SERIOUSLY CONSIDERING CONCRETE STEPS FOR IMPORT LIBERALIZATION, WITH THE FIRST PHASE EXPECTED TO COME LATER THIS YEAR.
SNEIDER

UNCLASSIFIED

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSPECTIONS, GOVERNMENT MINISTRIES
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SEOUL00633
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770026-0304
Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770120/aaaaarmt.tel
Line Count: 130
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 21699ed1-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 SEOUL 440, 77 SEOUL 172
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3509916
Secure: OPEN
Status: NATIVE
Subject: PRESIDENT PARK LAUNCHES ANNUAL INSPECTION TOUR WITH VISIT TO EPB
TAGS: ETRD, EFIN, EGEN, KS, GATT, MTN, (PARK CHUNG HEE)
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/21699ed1-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009